

SANTA CRUZ COUNTY GROWTH MANAGEMENT SYSTEM

GROWTH TRENDS REPORT

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SANTA CRUZ COUNTY PLANNING DEPARTMENT

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A. INTRODUCTION AND SUMMARY

Over the last 15 years Santa Cruz County has experienced rapid growth in both population and development. During this period, the County has concurrently created a system of growth management both to provide desirable community development and to insure a high level of protection for the County's natural resources.

This report has been prepared to provide an understanding of the development trends which have taken place, and to gauge the effects of the County's adopted growth management system. In addition, projections of the continuing buildout of the General Plan are provided. The data is interpreted to provide an understanding of the development trends, and issues regarding the growth management system are presented. The appendix to the report provides an explanation of the data collection methodology.

Historic population and housing data is provided for the last 25 years, and a more detailed presentation of development statistics is provided for the last 10 years. The projections of future development examine the effects of continuing growth at rates from 0.5% to 2.5% annually until buildout of the General Plan. Data is summarized by the 15 planning areas in the unincorporated area, and by urban and rural portions of the County based on the Urban Service Line adopted as part of the General Plan.

The County's comprehensive planning program began with the adoption of the 1961 County General Plan; however, effective development of planning policy did not occur until the 1970's when a number of area General Plans and General Plan elements were adopted. In 1978 the County voters approved Measure J, the Growth Management Referendum, which was implemented during the following year with a series of new development controls. Further development controls were created in 1980 with the adoption of the consolidated 1980 County General Plan, in 1981 with the adoption of the Local Coastal Program Land Use Plan, and in 1982 with the complete revamping of the planning regulations of the County Code.

The trends which can be interpreted from the growth data are summarized below:

Housing Trends

Over the last five years the rate of residential growth has shown a marked decline from the previous twenty year period. During this time, the urban and rural areas of the unincorporated County have also changed greatly in their share of the growth: the urban areas are now receiving approximately 70% of the building permits issued, as opposed to under 50% in the latter half of the 1970's. Rural areas have correspondingly changed from over 50% to approximately 30% of the new residential units.

Over the last twenty five years, the unincorporated area of the County has consistently maintained a growth rate higher than the sum total for the incorporated areas in the County. Over the past ten years, four Planning Areas have experienced 64% of the growth in the unincorporated

area of the County: Live Oak and Aptos with approximately 20% each, and Soquel and San Lorenzo Valley each with approximately 10% of the total growth.

The yearly building permit quotas established as part of the Measure J implementation had a marked effect when Measure J was first adopted, but have recently had much less effect. Currently, building permits are generally available in all of the development categories, and the random drawings for permit allocations were discontinued as no longer necessary in the urban area after 1982 and in the rural area after 1983. It is apparent from this data that other factors than the building permit quotas are now controlling growth in the County.

Affordable Housing Development

The County's affordable housing stock has increased greatly since the adoption of Measure J. Only 2.3% of all new construction was built as affordable in the four years prior to the implementation of Measure J, while that figure has risen to almost 17% since 1980. This data shows that the County is effectively meeting the Measure J affordable housing goal of 15%.

Live Oak, Soquel, and Aptos have received the bulk of the new affordable housing in the unincorporated area of the County, with Live Oak receiving the greatest amount. The data shows that the most successful affordable housing programs have been the federally subsidized projects and the inclusionary housing projects.

Rural Land Divisions

There has been a marked reduction over the past 10 years in the number of new rural lots created. Also, no rural subdivisions greater than 20 lots have been approved since 1980.

The four Planning Areas receiving the bulk of the new rural lots which were created in the last 10 years were San Lorenzo Valley, Aptos Hills, San Andreas, and Carbonera. After 1980, however, only the Aptos Hills area appears to have a concentration of new lots.

The number of new rural lots approved since 1980 has fallen well below the quotas established pursuant to Measure J. As in the case of building permits, other factors than the quotas appear to be controlling the approval of new rural land divisions.

Population Trends

The unincorporated County area has grown relatively faster than either the cities in the County or the State as a whole. Like the housing trends, however, population growth has slowed significantly in the last five years. The high growth rates of 4.9% and 4.5% for the two decades from 1960 to 1980 was markedly reduced to 2.8% for the last six years in the unincorporated portion of the County.

A comparison of dwelling unit growth rates and population growth rates shows that population is growing faster than housing stock. This trend

has extended at least over the past 25 years and can be explained by changes in the housing vacancy rates and household size in the County. This trend is expected to continue until at least 1990.

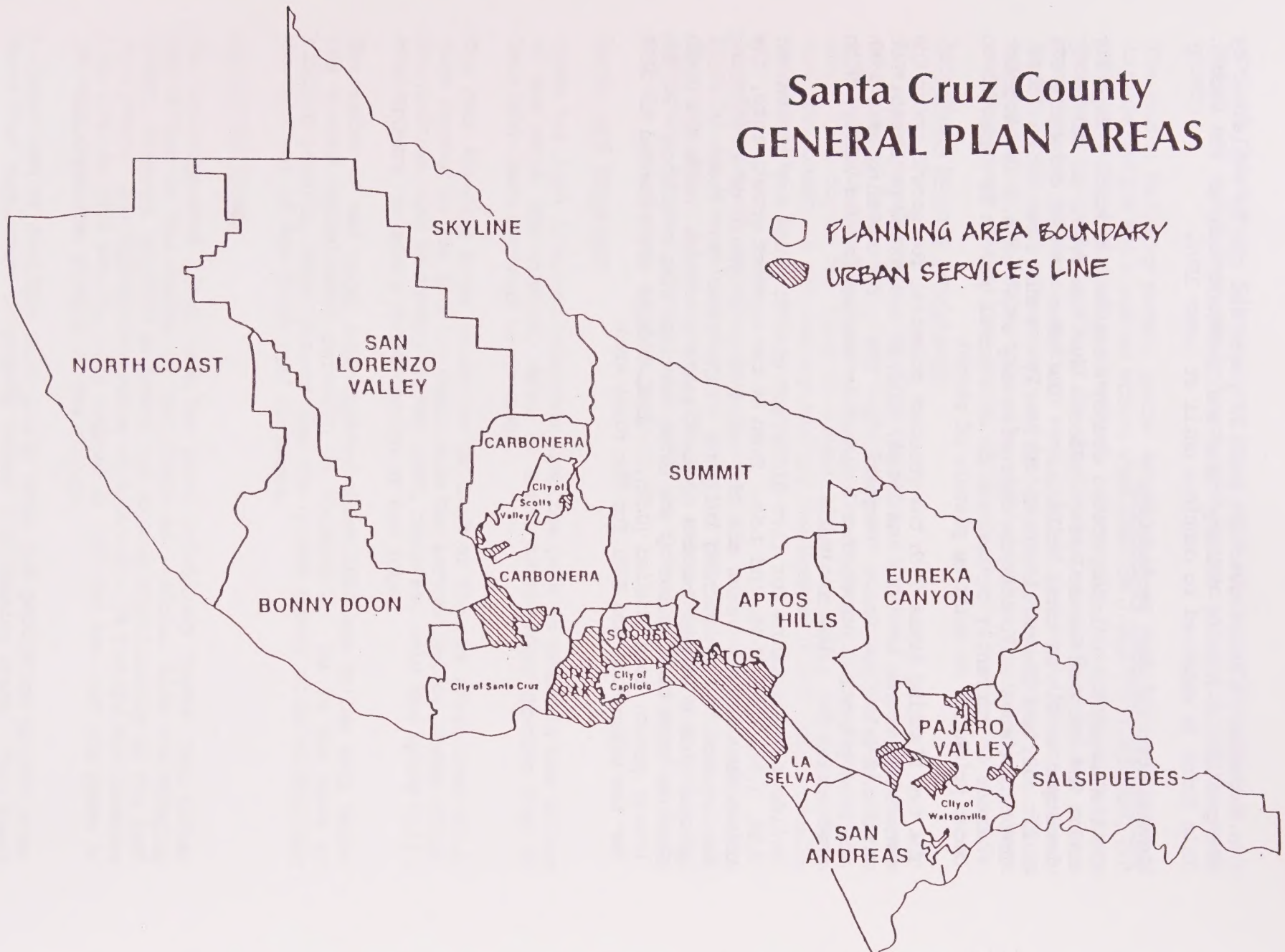
General Plan Buildout Projections

Estimates of the unincorporated County's residential holding capacity under the adopted General Plan indicate that the County is currently developed to 71% of total buildout. The urban area is currently 67% built out, and the rural area is currently 76% built out. At buildout, the urban area will contain approximately 56.6% of all development whereas it currently contains 53.5%. New rural growth is expected to occur primarily on existing parcels of record.

The two Planning Areas with the greatest potential for growth under the General Plan are Live Oak and Aptos, with an estimated potential for 4,548 and 3,106 new units, respectively. The rural Planning Area with the most potential for further buildout is the San Lorenzo Valley, with a potential for 1,425 new units.

Buildout projections for five different growth rates are presented: 0.5%, 1.0%, 1.5%, 2.0%, and 2.5%. Even at the highest growth rate, the urban area has 14 years and the rural area 15 years of continuing development before reaching buildout. This means that there is still greater than a 10 year reserve of development potential inside the Urban Services Line as required by the Urban Services Line ordinance. At the lowest growth rate studied (0.5%), buildout dates are extended to 2053 for the urban area and 2061 for the rural area.

Santa Cruz County GENERAL PLAN AREAS



B. HOUSING TRENDS

Housing Data

FIGURE 1 provides a table of the historic population estimates for the unincorporated area and the County as a whole for the period of 1960 to 1986.

FIGURE 1

HISTORIC HOUSING GROWTH TRENDS BY JURISDICTION

YEAR	DWELLING UNITS(1)	GROWTH RATE(2)	YEAR	DWELLING UNITS(1)	GROWTH RATE(2)	YEAR	DWELLING UNITS(1)	GROWTH RATE(2)
SANTA CRUZ COUNTY			UNINCORPORATED AREA			CITY OF CAPITOLA		
1960	40,797	---	1960	22,618	---	1960	1,354	---
1970	52,098	2.5%	1970	29,333	2.6%	1970	2,536	6.5%
1975	66,556	5.0%	1975	38,547	5.6%	1975	3,959	9.3%
1976	68,236	2.5%	1976	39,248	1.8%	1976	3,999	1.0%
1977	70,448	3.2%	1977	40,601	3.4%	1977	4,097	2.5%
1978	73,126	3.8%	1978	42,041	3.5%	1978	4,330	5.7%
1979	75,259	2.9%	1979	43,295	3.0%	1979	4,525	4.5%
1980	77,149	2.5%	1980	44,220	2.1%	1980	4,745	4.9%
1981	82,134	6.5%	1981	47,437	7.3%	1981	4,911	3.5%
1982	83,506	1.7%	1982	48,584	2.4%	1982	4,947	0.7%
1983	84,652	1.4%	1983	49,435	1.8%	1983	4,981	0.7%
1984	85,578	1.1%	1984	50,003	1.1%	1984	5,003	0.4%
1985	86,864	1.5%	1985	50,609	1.2%	1985	5,035	0.6%
1986	87,990	1.3%	1986	51,222	1.2%	1986	5,132	1.9%
CITY OF SANTA CRUZ			CITY OF SCOTTS VALLEY			CITY OF WATSONVILLE		
1960	12,041	---	1960	(3)	---	1960	4,784	---
1970	13,681	1.3%	1970	1,397	---	1970	5,151	0.7%
1975	15,487	2.5%	1975	2,141	8.9%	1975	6,422	4.5%
1976	15,894	2.6%	1976	2,202	2.8%	1976	6,893	7.3%
1977	16,139	1.5%	1977	2,341	6.3%	1977	7,270	5.5%
1978	16,628	3.0%	1978	2,437	4.1%	1978	7,690	5.8%
1979	16,980	2.1%	1979	2,517	3.3%	1979	7,942	3.3%
1980	17,193	1.3%	1980	2,673	6.2%	1980	8,318	4.7%
1981	18,060	5.0%	1981	2,799	4.7%	1981	8,927	7.3%
1982	18,131	0.4%	1982	2,805	0.2%	1982	9,039	1.3%
1983	18,306	1.0%	1983	2,812	0.2%	1983	9,118	0.9%
1984	18,553	1.3%	1984	2,825	0.5%	1984	9,194	0.8%
1985	18,747	1.0%	1985	2,904	2.8%	1985	9,569	4.1%
1986	18,937	1.0%	1986	2,970	2.3%	1986	9,729	1.7%

(1) 1/1 DOF estimate or 4/1 Census estimate.

(2) Compound average annual rate

(3) Not incorporated in 1960.

28-AUG-86

Sources: U.S. Census for the years 1960 and 1970.

State Department of Finance for other years

Note: The 1975-80 DOF estimates have not been adjusted to reflect the 1980 census data; this results in lower apparent growth during the period and a large adjustment in 1981.

FIGURE 2 contains a table of the number of new dwelling units authorized by building permit in each planning area, and in the urban and rural areas, over the period of 1976 through 1985.

FIGURE 2

DWELLING UNITS AUTHORIZED BY BUILDING PERMITS, 1976-1985

PLANNING AREAS	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	TOTAL	% OF TOTAL
Aptos Hills	117	154	105	82	57	44	28	29	42	36	694	7%
Aptos	325	298	176	210	217	155	141	139	140	116	1,917	19%
Bonny Doon	90	70	59	42	19	16	19	16	12	11	354	4%
Carbonera	103	122	88	71	37	20	21	25	13	19	519	5%
Eureka Canyon	41	42	53	23	20	12	8	19	9	17	244	2%
La Selva Beach	49	48	32	20	28	8	6	4	4	6	205	2%
Live Oak	203	254	105	95	152	368	284	254	274	256	2,245	23%
North Coast	7	11	5	3	1	1	1	1	2	2	34	0%
Pajaro Valley	30	125	124	46	39	8	12	8	7	26	425	4%
Salsipuedas	8	6	3	4	3	1	1	0	1	1	28	0%
San Andreas	38	25	33	13	32	26	8	2	4	38	219	2%
San Lorenzo Valley	147	186	174	143	104	83	67	50	52	53	1,059	11%
Skyline	78	99	79	35	31	23	27	9	12	15	408	4%
Soquel	68	84	106	183	203	156	93	36	22	90	1,041	11%
Summit	75	85	85	61	48	23	18	20	15	20	450	5%
UNINCORPORATED TOTALS	1,379	1,609	1,227	1,031	991	944	734	612	609	706	9,842	100%
URBAN AREA TOTALS	647	745	508	517	611	689	506	443	452	475	5,593	
RURAL AREA TOTALS	732	864	719	514	380	255	228	169	157	231	4,249	
% URBAN	47%	46%	41%	50%	62%	73%	69%	72%	74%	67%	57%	
% RURAL	53%	54%	59%	50%	38%	27%	31%	28%	26%	33%	43%	

13-Aug-86

Source: County Planning Department

Trends

The rate of residential growth in the last six years has shown a marked decline from the previous twenty year period. FIGURE 3 below summarizes the data of FIGURE 1 by decade. This summary shows that the growth rate in the unincorporated area of the County during the decades of the 1960's and the 1970' was 2.6% and 4.7% respectively, whereas between 1980 and 1986 this rate dropped to an average annual rate of 1.6%. This same decline has been experienced by the County as a whole, where the change has been from 2.5% and 4.5% respectively to an average rate of 1.4% for the last six years.

Another trend that can be seen in the data of FIGURE 3 is that over the last 25 years the unincorporated area has consistently grown at a rate which is larger than the incorporated area. This means that the unincorporated area has been producing more than its share of new housing, and that the percentage of housing that is located outside of the city area has been slowly increasing. In 1970, 56% of all housing units were in the unincorporated area, whereas in 1986, 58% of the housing units were in the unincorporated area.

FIGURE 3

COMPARATIVE HOUSING GROWTH TRENDS

YEAR	CAPITOLA	SANTA CRUZ	SCOTT'S VALLEY	WATSONVILLE	TOTAL COUNTY		UNINCORPORATED COUNTY		
	TOTAL DWELLING UNITS				TOT. DWEL. UNITS	GROWTH RATE(1)	TOT. DWEL. UNITS	GROWTH RATE(1)	% OF TOT COUNTY
1960	1354	12041	--	4784	40797		22618		55.4%
1970	2536	13681	1397	5151	52098	2.5%	29333	2.6%	56.3%
1980	4879	17871	2773	8773	80863	4.5%	46567	4.7%	57.6%
1986	5132	18937	2970	9729	87990	1.4%	51222	1.6%	58.2%

(1) Compound average annual rate

28-Aug-86

Sources: U.S. Census counts of housing units for the years 1960, 1970, and 1980 (as of 4/1 of those years).
State Department of Finance figure for 1986 (estimated as of 1/1/86).

During the last 10 years, the number of residential units authorized by County building permits on an annual basis has shown a marked decline. FIGURE 4 contains graphs of the total number of dwelling units issued permits each year in the County and State since 1976. This data shows that the total number of dwelling units issued permits in the County unincorporated area reached a high in 1977 of over 1600 and a low in 1983-84 of around 600 permits (38% of the 1977 high). This decline in building activity mirrors in part the experience state-wide, where development activity peaked in 1977 and then declined until 1982, except that the county decline was not as great and lasted until 1983-1984, and has not rebounded as strongly.

A review of the basic data in FIGURE 2 shows that four Planning Areas together experienced 64% of the total growth over the ten years: Aptos, Live Oak, San Lorenzo Valley, and Soquel. Of these, Aptos and Live Oak received the most growth, with each receiving about 20% of the total number of units; followed by San Lorenzo Valley and Soquel, each of which received about 10% of the growth.

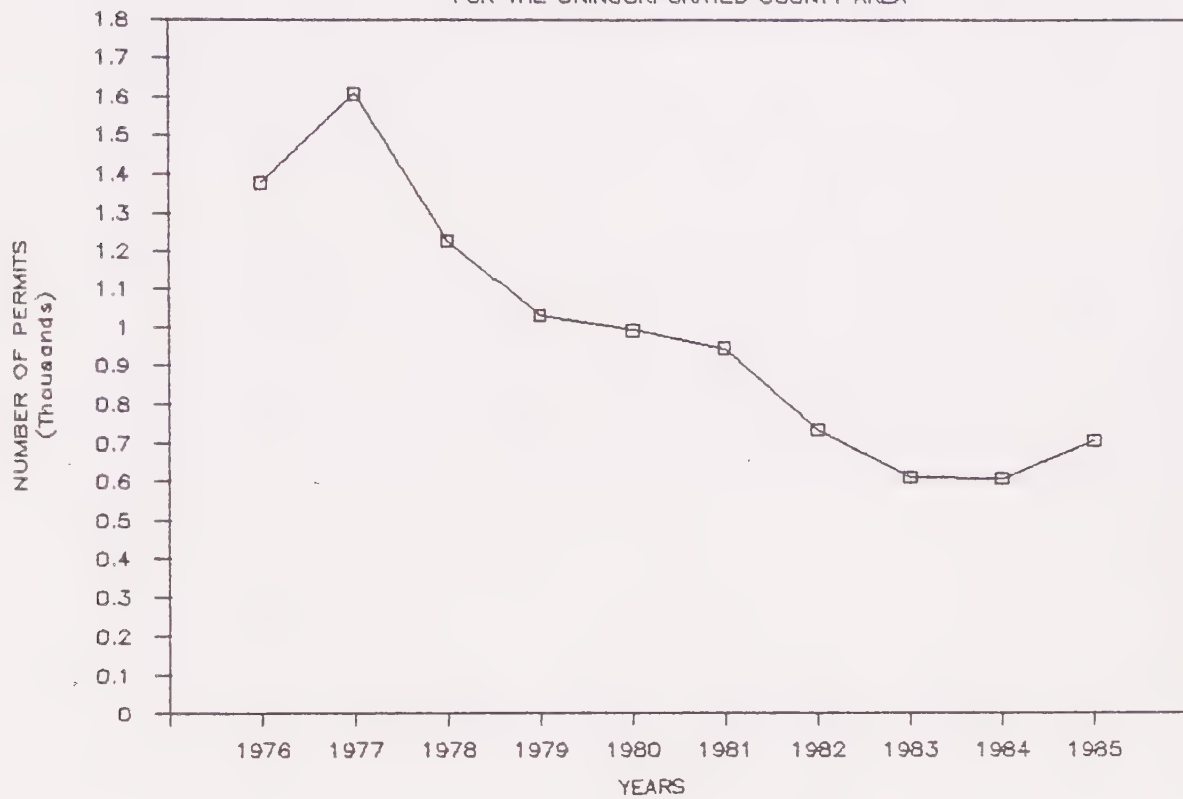
The number and percentage of residential units approved in the urban and rural areas are shown in the two graphs in FIGURE 5. This data again shows the marked decrease in the number of units approved, especially in the rural area. In the urban area, an average of the first three years provided 633 units compared to an average of 457 units in the last three years; a ratio of 1.4 : 1.0. In the rural area, an average of 772 units were authorized in the first three years, compared to an average of 186 units in the last three years; a ratio of 4.2 : 1.0.

FIGURE 5 also shows a marked change in the distribution of development. In 1976 and 1977, more rural than urban permits were issued, with a little over 50% of the units going into the rural area. This trend was reversed after 1979 when the distribution was about even, and the rural portion has dropped to around 30% in recent years. This reduced percent of rural development is consistent with the policies of Measure J which encourage new residential development to locate in the urban area.

FIGURE 4

NEW COUNTY AND STATE HOUSING STARTS

FOR THE UNINCORPORATED COUNTY AREA



FOR THE STATE OF CALIFORNIA

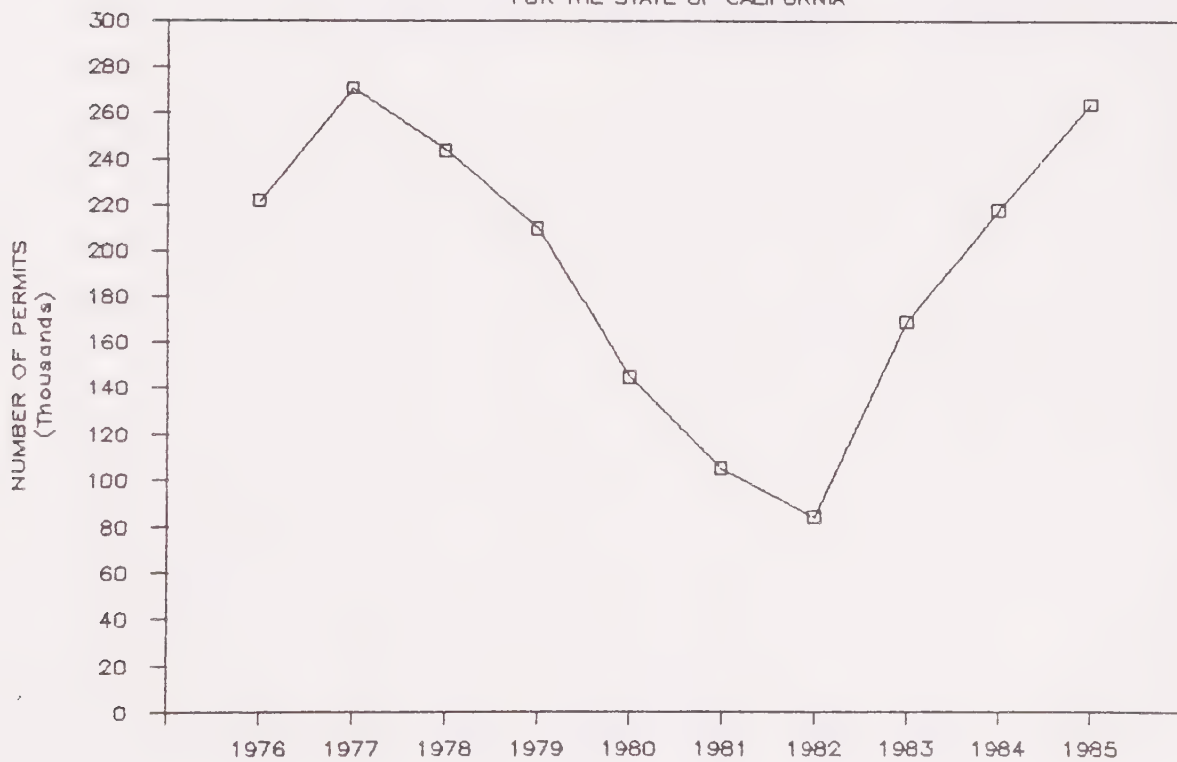
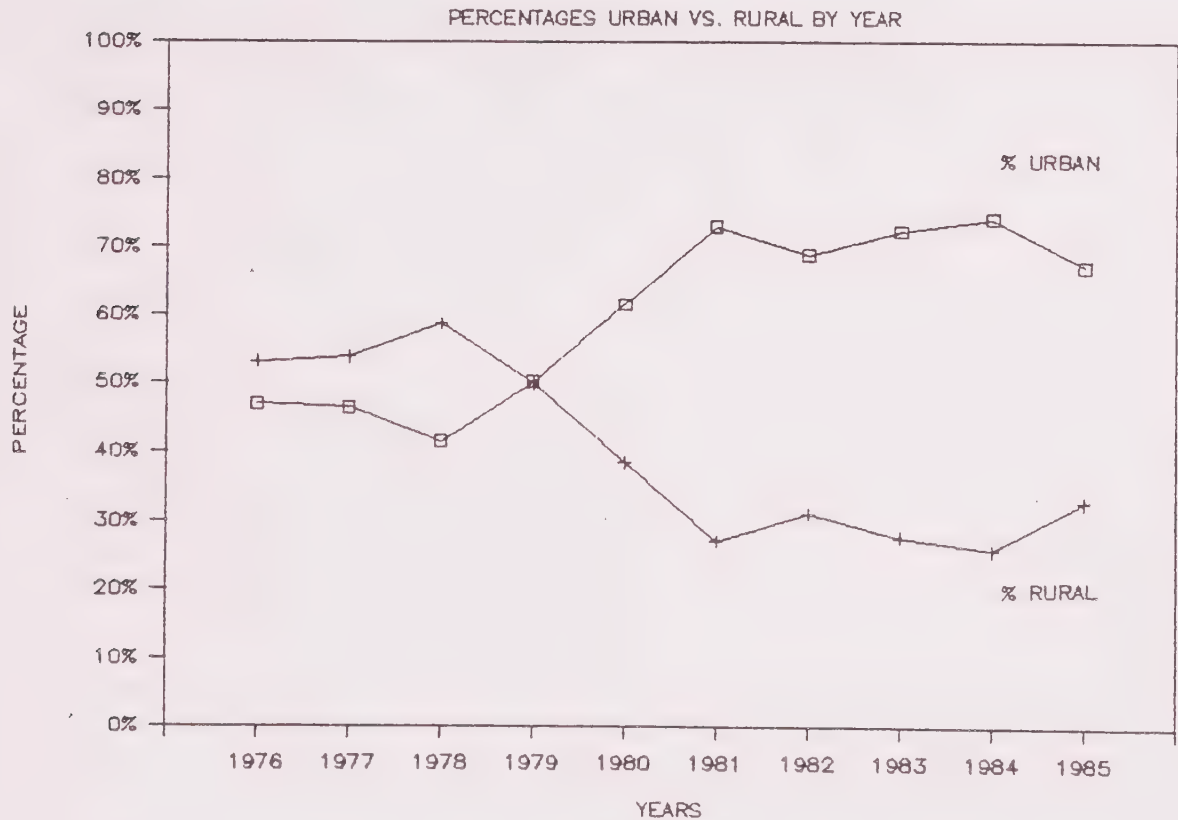
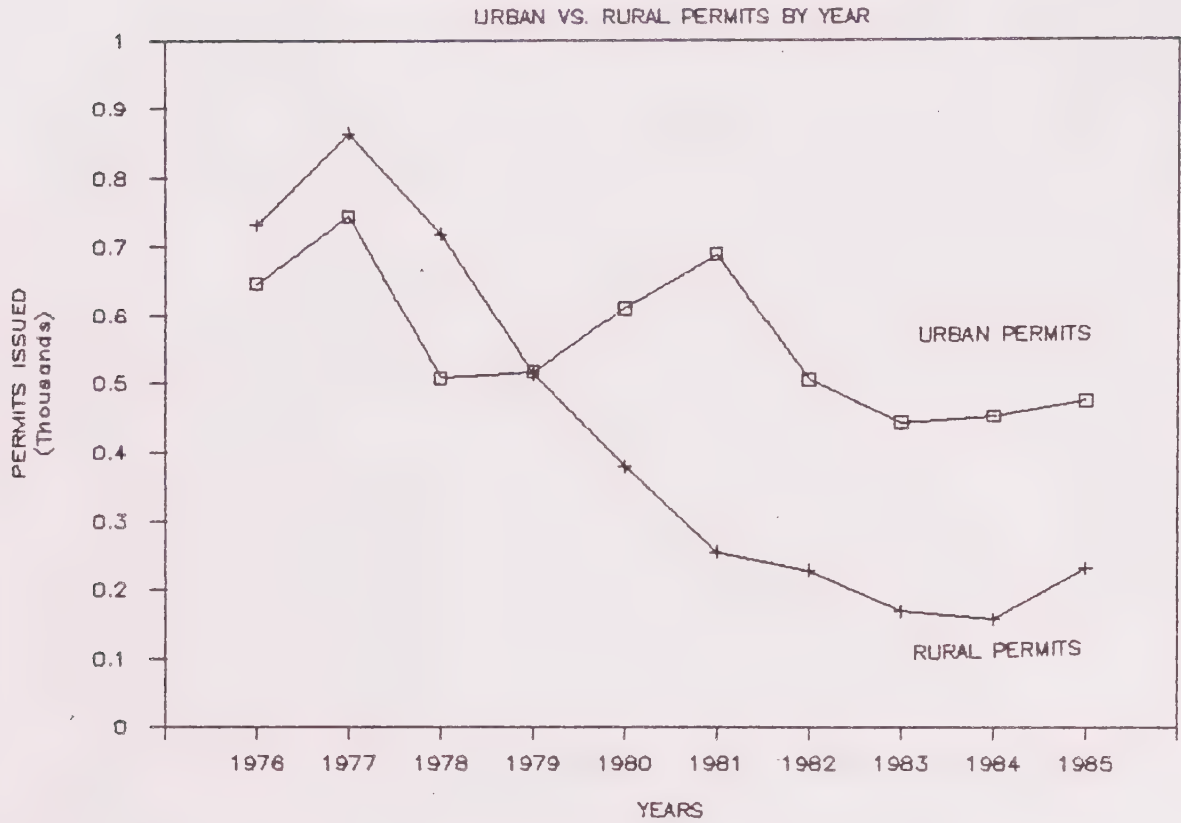


FIGURE 5

URBAN AND RURAL BUILDING PERMITS BY YEAR



In recent years, the number of building permits issued has been generally below, and often substantially below, the quotas set by ordinance. FIGURE 6 shows the building permit quotas adopted by the County and the number of units subsequently issued in the urban and rural areas. In 1979 the number of building permits exceeded the quotas due to the number of exempt permits which were applied for before the implementation of the Measure J controls. In 1980, the rural permits exceeded the quota because of the allowed carry over of unissued allocations from the previous year. The same was true of the urban permits in 1981. However, in other years the number of both urban and rural building permits issued has been substantially below the quotas.

In part, the fact that the number of building permits issued has been below the adopted quotas can be attributed to a large number of persons who applied for and received permit allocations through the system, but who did not follow through by exercising their right to be issued a building permit. It is clear, however, that in the past few years the quotas have had little impact. In fact, the random drawing for permit allocations was ended in the urban area after 1982 and in the rural area after 1983. Since those years, building permits have generally been available.

FIGURE 6

URBAN AND RURAL BUILDING PERMIT QUOTAS

YEAR	-UNINCORPORATED COUNTY-			-----URBAN AREA-----			-----RURAL AREA-----		
	GROWTH RATE	PERMITS ALLOWED	PERMITS ISSUED	GROWTH RATE	PERMITS ALLOWED	PERMITS ISSUED	GROWTH RATE	PERMITS ALLOWED	PERMITS ISSUED
1979	2.2%	930	1,031	2.5%	560	517	1.9%	370	514
1980	2.4%	1,055	991	2.9%	710	611	1.7%	345	380
1981	2.1%	937	944	2.6%	656	689	1.4%	281	255
1982	2.0%	968	734	2.5%	678	506	1.3%	290	228
1983	2.0%	972	612	2.5%	681	443	1.3%	291	169
1984	2.0%	991	609	2.4%	660	452	1.5%	331	157
1985	1.5%	757	706	1.8%	507	475	1.1%	250	231
TOTALS	2.0%*	6,610	5,627	2.5%*	4,452	3,693	1.5%*	2,158	1,934

* Average over seven years.

19-Aug-86

Source: County Code Chapter 17.04 and County Planning Department

Issues

In view of the marked drop off in the number of new dwelling units being built in recent years, the question arises as to whether or not this decline is in fact due to the County's regulatory system. To a large extent, the decline can be attributed to the same external factors, such as the general economy and rising housing costs, that have affected both the state construction levels as well as those of the other jurisdictions in the County. Also, to the extent that the allocation quotas are not being utilized, the Measure J direct controls on construction volumes appear not to be a limiting factor in recent years. However, the question remains whether such factors as the County's development standards, fees, the mechanics of the allocation system, or the time it takes to process a permit, are further depressing the development levels.

With the marked shift in the location of development from rural to urban areas, it appears that the building permit allocation system has been successful in redirecting growth. The allocation system can be credited with this shift in the first few years when the quotas limited the issuance of permits. In more recent years, however, the quotas appear not to be limiting the number of permits, and yet the urban/rural split of development has resulted in generally the same emphasis on urban development. This leads to the question of what factors, other than the allocation system, are controlling this change in development location. Possible factors may include other development regulations, availability of suitable rural building sites, willingness of financial institutions to make loans for rural development, etc.

Since the unincorporated County has historically provided a greater percentage of the new housing stock, the volume of housing in the unincorporated area continues to expand in relation to the cities. However, it is appropriate to examine whether this is a desirable situation since the cities are better equipped, both administratively and in terms of revenue sources, to provide the urban services necessary to accommodate new development. It would be possible for the County to reverse this trend by limiting further development in relationship to the cities, or by encouraging further annexations to the cities.

C. AFFORDABLE HOUSING DEVELOPMENT

Affordable Housing Produced

The number of affordable units issued building permits over the last 10 years is shown by year for each of the five urban and ten rural Planning Areas in FIGURE 7.

FIGURE 7

AFFORDABLE UNITS CONSTRUCTED BY PLANNING AREA

PLANNING AREAS	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	TOTALS	% of Total
<hr/>												
URBAN												
Aptos	0	0	0	0	11	32	13	1	0	4	61	7%
Carbonera	0	0	0	1	0	0	0	0	0	0	1	0%
Live Oak	0	0	0	0	17	184	207	45	127	16	596	67%
Pajaro Valley	0	14	105	0	0	0	0	2	1	0	122	14%
Soquel	0	0	0	0	25	17	10	0	0	4	56	6%
TOTALS	0	14	105	1	53	233	230	48	128	24	836	93%
<hr/>												
RURAL												% of
Aptos Hills	0	0	0	0	0	1	0	0	0	0	1	0%
Bonny Doon	0	0	0	0	0	1	0	0	0	0	1	0%
Eureka Canyon	0	0	0	0	0	2	0	0	0	0	2	0%
La Selva Beach	0	0	0	0	0	0	0	0	0	0	0	0%
North Coast	0	0	0	0	0	0	0	0	0	0	0	0%
San Andreas	0	0	0	0	0	0	0	0	0	36	36	4%
Skyline	0	0	0	0	0	0	0	0	0	0	0	0%
San Lorenzo Valley	0	0	0	1	1	3	5	4	0	0	14	2%
Salsipuedes	0	0	0	0	1	0	0	0	0	0	1	0%
Summit	0	0	0	0	5	0	0	0	0	0	5	1%
TOTALS	0	0	0	1	7	7	5	4	0	36	60	7%
<hr/>												
UNINCORPORATED												
COUNTY TOTALS	0	14	105	2	60	240	235	52	128	60	896	100%

13-Aug-86

Source: County Planning Department

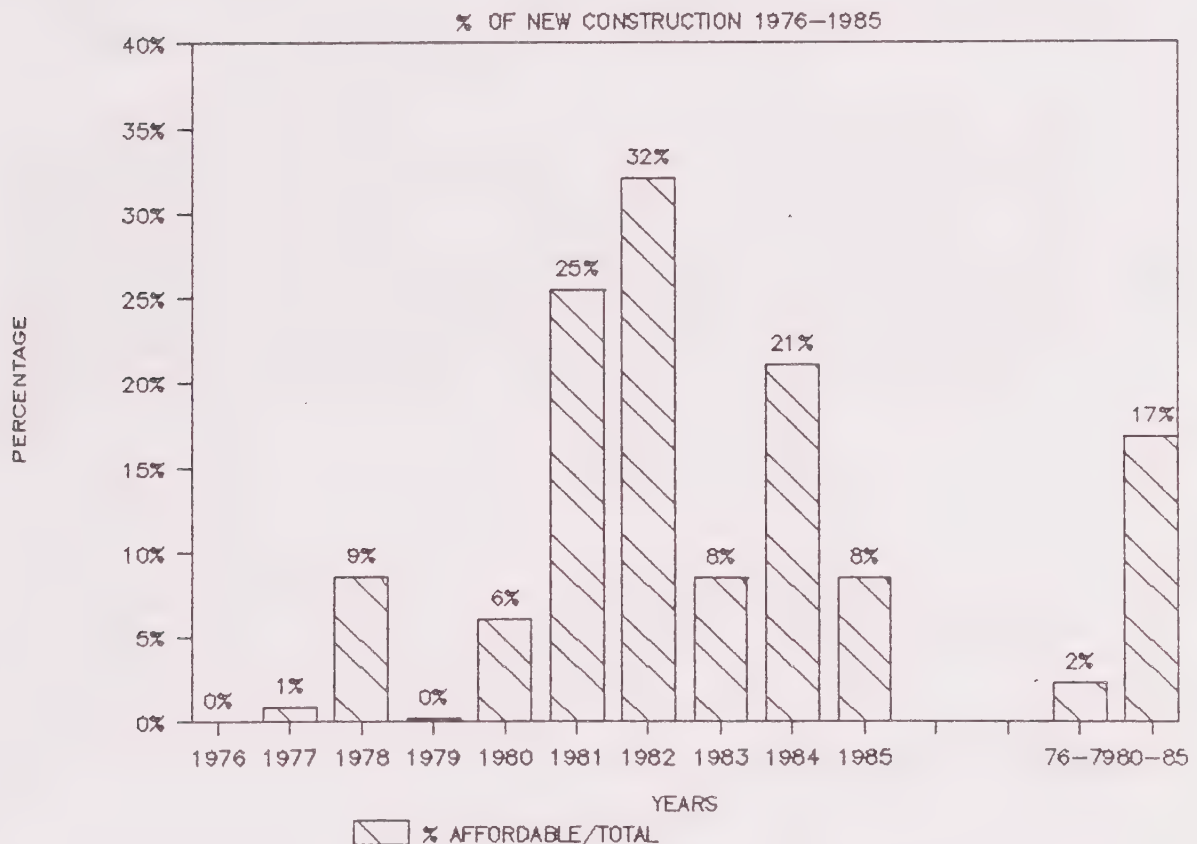
Trends

An examination of the number of affordable dwelling units constructed over the last 10 years indicates a major increase in production since the implementation of the Measure J policy that a minimum of 15% all new housing be affordable. FIGURE 8 shows the percent of housing each year that was developed as affordable units. During the four year period of 1976-1979, permits for 5,246 residential units of all kinds were issued. Of these, 121, or 2.3%, were constructed as affordable units. If the 15% standard mandated by Measure J had been met during this period, then 787 affordable units would have been constructed.

During the six year period (1980-1985) following the implementation of Measure J, permits for a total of 4,596 residential units of all kinds were issued. Of these, 775, or 16.9%, were for affordable units. This surpasses the Measure J goal of 15% of all units being affordable by a total of 86 units, as only 689 affordable units would have been required by the policy.

FIGURE 8

AFFORDABLE PERCENTAGE OF NEW CONSTRUCTION BY YEAR



A review of the data in FIGURE 7 indicates that there has also been a shift in the location of affordable housing since the implementation of the affordable housing policies of Measure J. Prior to 1979, all of the affordable housing produced was located in the Pajaro Valley. After 1979, very little affordable housing was produced in the Pajaro Valley, and it was instead spread primarily into the three urban planning areas of Live Oak, Soquel and Aptos, with a distinct concentration in Live Oak. Another trend which is discernable from the data is the development of some affordable housing in the rural area after 1979, where none was produced earlier in the 10 year period.

FIGURE 9 shows the percent of affordable housing produced from 1980 to 1985 in each urban Planning Area. FIGURE 10 contains a tabulation of the number and percentage of affordable units by Planning Area for the period of 1980-1985 compared to the number of affordable units that would be required if the 15% requirement were to be applied on a Planning Area basis. In Live Oak, 37.5% of the housing developed was affordable, whereas none of the other urban areas met a 15% proportion.

The lack of continuing development of affordable units in the Pajaro Valley can be largely attributed to the existence of a sewer moratorium in the Freedom Sanitation District. The concentration of affordable units in Live Oak is attributable to its central location, the abundance of relatively inexpensive land, the availability of large parcels for development, and the existence of a relatively high level of supporting infrastructure. These attributes are essential for the development of affordable housing, and the lack of one or more of these characteristics in other Planning Areas results in smaller amounts of affordable housing being developed in those areas. The development of affordable housing in Live Oak and to a lesser extent in Aptos, may also be attributable to the presence of designated affordable housing sites within the Coastal Zone portions of those Planning Areas.

The development of affordable housing in the rural area can be attributed to some singular causes. The large amount of affordable housing in the San Andreas area is attributable to one project, the Buena Vista Farm Labor Housing Project developed adjacent to the Buena Vista Farm Labor Camp. Further developments of this kind are unlikely due to the lack of adequate infrastructure in the rural area. The other rural affordable units can be attributed largely to the small contractor program and a few owner-builder units. The small contractor program was effective during the period that permit allocations were scarce or uncertain, but has not produced any rural units since rural allocations became readily available after 1983.

FIGURE 9

AFFORDABLE PERCENTAGE OF NEW URBAN CONSTRUCTION

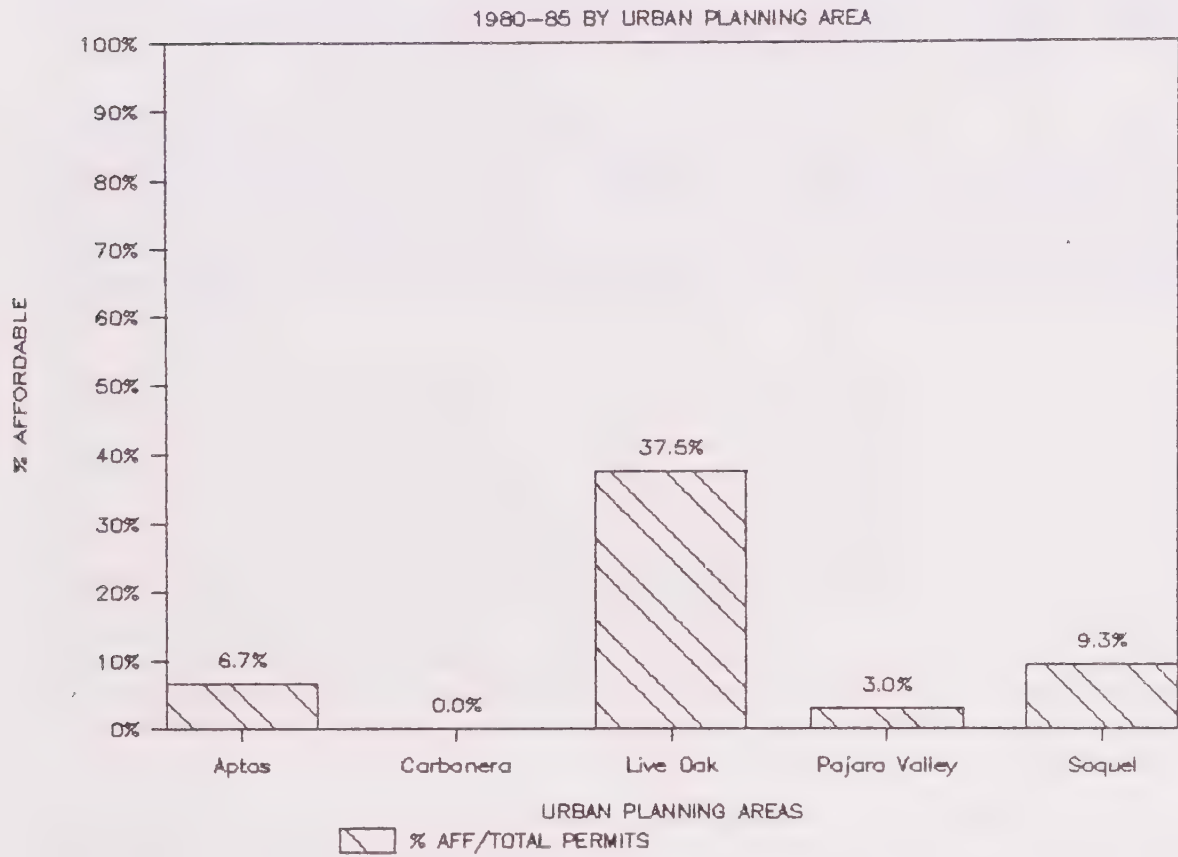


FIGURE 10

AFFORDABLE HOUSING UNITS BY PLANNING AREA

PLANNING AREA	TOTAL	AFFORDABLE PERMITS		15% OF	DEFICIT OR
	PERMITS 1980-85	NUMBER	PERCENT	TOTAL PERMITS 1980-85	SURPLUS IN ACHIEVING MEASURE J GOAL
Aptos Hills	236	1	0.4%	35	-34
Aptos	908	61	6.7%	136	-75
Bonny Doon	93	1	1.1%	14	-13
Carbonera	135	0	0.0%	20	-20
Eureka Canyon	85	2	2.4%	13	-11
Live Oak	1588	596	37.5%	238	358
La Selva Beach	56	0	0.0%	8	-8
North Coast	8	0	0.0%	1	-1
Pajaro Valley	100	3	3.0%	15	-12
San Andreas	110	36	32.7%	17	20
Skyline	117	0	0.0%	18	-18
San Lorenzo Valley	409	13	3.2%	61	-48
Soquel	600	56	9.3%	90	-34
Salsipuedes	7	1	14.3%	1	-0
Summit	144	5	3.5%	22	-17
TOTALS	4596	775	16.9%	689	86

13-Aug-86

Source: County Planning Department

The most successful affordable housing programs have been the federally subsidized projects and the inclusionary housing projects. FIGURE 11 provides a listing of the various affordable programs and the number of units each has produced between 1980 and 1985. As can be seen from the listing, some of the programs have contributed little. The small contractor program produced a small number of units after it was initiated in 1982 and up to 1984. During this time allocations for permits for single family projects were limited by the lottery. The small contractor program is no longer effective now that building permit allocations are readily available. This would also be true for the owner-builder program which has only produced a few units.

A detailed evaluation of the affordable housing program is currently being prepared under contract and will be made available separately as part of the overall Growth Impact Study.

FIGURE 11

AFFORDABLE UNITS BY HOUSING PROGRAM

PROGRAM	UNITS	% OF TOTAL
SUBSIDIZED HOUSING UNITS	406	52%
FEDERAL PROGRAMS:		
HUD SECTION 8-202	286	
HUD PUBLIC HOUSING	57	
FARMERS HOME ADM.	36	
	379	
STATE PROGRAMS:		
CA. HOUSING FINANCE	27	
INCLUSIONARY HOUSING UNITS	335	43%
OWNER BUILDER UNITS	6	1%
SMALL CONTRACTOR PROGRAM	27	3%
AFFORDABLE SECOND UNITS	1	0%
TOTAL AFFORDABLE UNITS	775	100%

29-Aug-86

Source: County Planning Department

Issues

As discussed above, the success of the affordable housing program has been heavily dependent on federal subsidies to produce units. With the reductions in federal subsidies, it will be increasingly difficult to meet the affordable housing goals. It appears that either new programs or changes to existing programs or a combination of both will be needed to produce the desired amount of affordable housing in the future.

With the strain on public services being experienced in Live Oak and the growing public opposition to more development there, it appears necessary and desirable to find ways to encourage the development of affordable housing in other areas. One issue which might be examined is whether it is possible and appropriate to create some of the attractive qualities which are found in Live Oak in other portions of the urban area through subsidizing land costs, providing urban services to affordable housing sites, etc.

Another issue which could be reviewed is whether it is appropriate to encourage further development of affordable housing in the rural areas. The rural areas are generally not suitable for the location of large affordable projects due to the lack of supporting infrastructure, however, programs which generate small projects and scattered units may be appropriate.

C. RURAL LAND DIVISIONS

Land Division Approvals

FIGURE 12 provides a tally of new parcels created in each planning area outside the Urban Services Line during the past ten years.

FIGURE 12

NEW RURAL PARCELS APPROVED

PLANNING AREAS	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	TOTALS	% OF TOTAL
Aptos	5	0	2	19	3	4	0	0	2	6	41	4%
Aptos Hills	7	29	16	25	66	18	21	15	5	4	206	21%
Bonny Doon	6	4	4	5	3	5	1	11	0	0	39	4%
Carbonera	14	22	11	15	4	8	14	4	0	2	94	10%
Eureka Canyon	5	11	11	7	2	9	3	0	2	0	50	5%
La Selva Beach	0	0	0	2	2	1	0	0	0	0	5	1%
Live Oak	2	0	0	0	0	0	0	0	0	0	2	0%
North Coast	3	1	4	0	0	3	0	0	0	0	11	1%
Pajaro Valley	0	1	1	0	0	0	6	1	0	2	11	1%
Salsipuedes	0	0	0	0	0	0	0	0	1	0	1	0%
San Andreas	25	0	2	94	0	0	0	0	1	0	122	12%
San Lorenzo Valley	5	2	140	138	4	3	6	4	0	4	306	31%
Skyline	0	5	4	1	0	0	0	0	0	1	11	1%
Soquel	2	4	7	1	0	1	3	0	4	0	22	2%
Summit	16	7	6	18	4	5	3	4	2	0	65	7%
RURAL TOTALS	90	86	208	325	88	57	57	39	17	19	986	100%
LARGE SUBDIVISIONS	23	0	137	223	48	0	0	0	0	0	431	44%
SMALL SUBDIVISIONS	67	86	71	102	40	57	57	39	17	19	555	56%

13-Aug-86

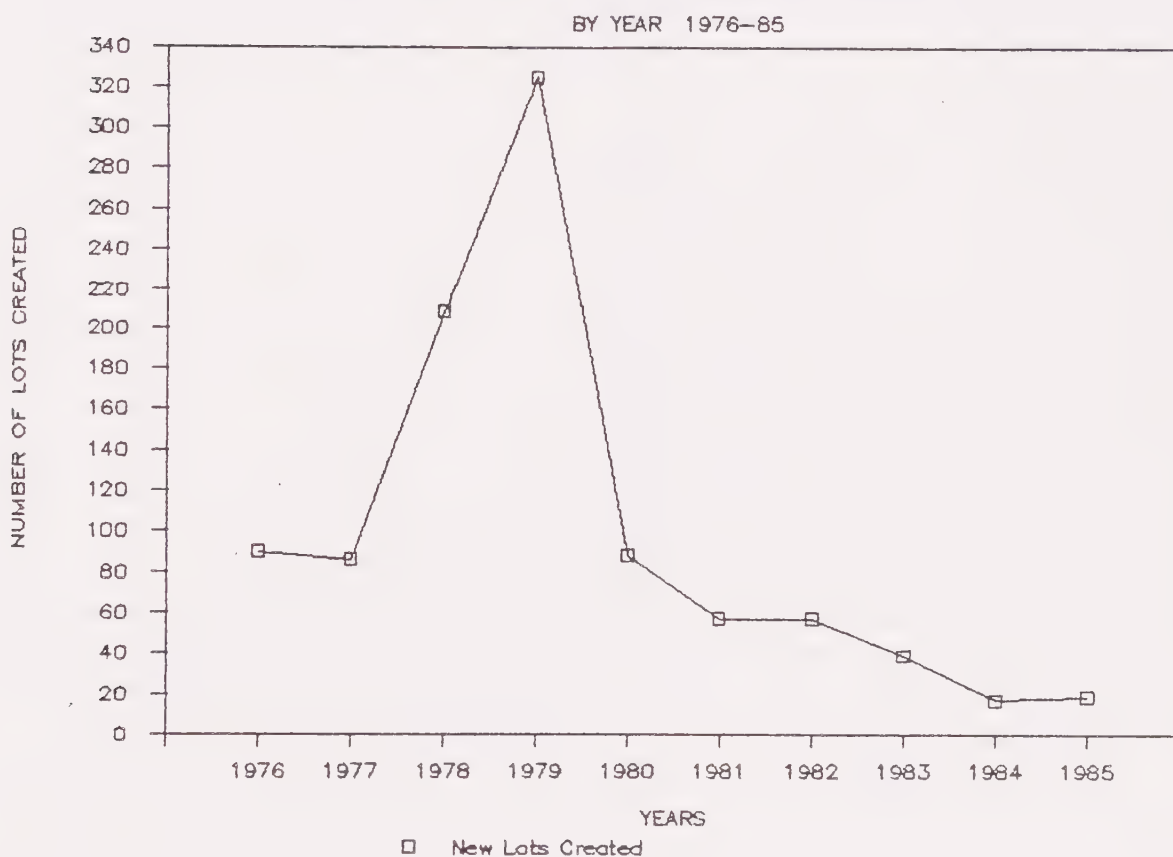
Source: County Planning Department

Trends

There has been a marked reduction in the number of new lots created annually during the last 10 years. FIGURE 13 provides a graph of the number of total units created each year from 1976 to 1985, and FIGURE 14 provides a breakdown of the total units into those provided by large subdivisions (20 or more units) and those from small subdivisions. The average number of lots created during the first 3 years of the period was 128 for all new rural parcels (or 75 if only the small projects are considered); this is 5 times (or 3 times if considering only small projects) the average of 25 parcels per year created over the last three years.

FIGURE 13

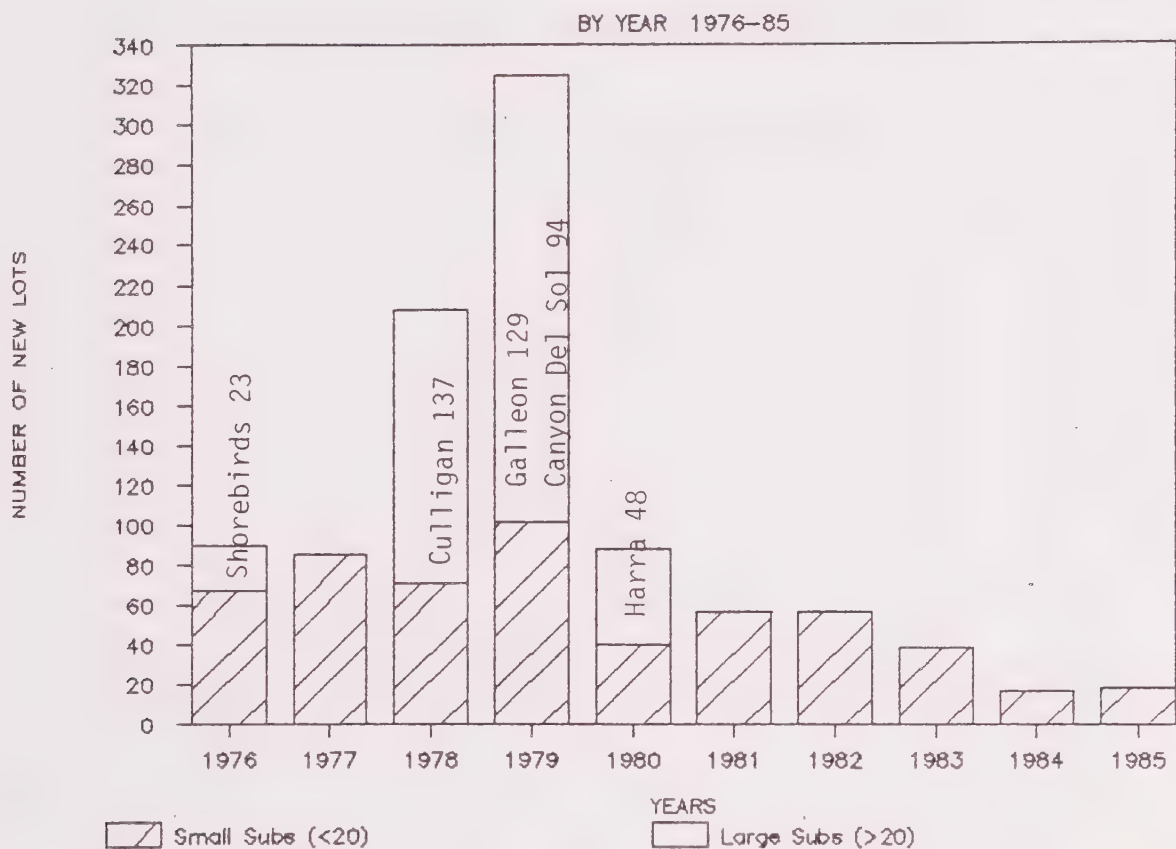
TOTAL NEW RURAL PARCELS CREATED BY YEAR



No large rural subdivisions have been approved since 1980. The large rural subdivisions approved from 1978 through 1980 are, in large part, projects which were previously approved as large Planned Unit Developments and which the Board of Supervisors felt merited approval at that time. Some of these projects have never been completed. Both the Culligan and Galleon subdivisions were abandoned by the developers after major geologic problems prevented recording the final maps. The Canyon Del Sol subdivision was started but has had marketing difficulties and currently is standing only partly completed.

FIGURE 14

NEW RURAL PARCELS BY SUBDIVISION SIZE AND YEAR



A review of the data in FIGURE 12 also shows that over the 10 year period, the creation of new rural parcels has been concentrated primarily in four planning areas: San Lorenzo Valley, Aptos Hills, San Andreas, and Carbonera. If the large subdivisions are excluded, however, only the Aptos Hills and Carbonera areas have a high number of new parcels. If only the period after 1979 is examined, then only the Aptos Hills area appears to have a concentration of new lots.

FIGURE 15 provides a listing of the yearly quota for new rural land divisions adopted by the county. The number of new rural lots is currently limited to 35% of the rural building permit quota each year. The quota of allowable rural land divisions was exceeded in its first year (1979) due to the large number of exempt projects which had been applied for prior to the imposition of the Measure J limitations. The total number of new parcels was also somewhat inflated during the years of 1978 through 1980 due to the processing of a very large backlog of applications, and due to an inflated number of applications generated in an attempt to obtain approval prior to the imposition of the Measure J restrictions. The number of land divisions, however, has fallen well short of the quotas in every year since 1979, especially in the last few years.

FIGURE 15

RURAL LAND DIVISION QUOTAS

YEAR	NEW RURAL PARCELS	
	QUOTA	APPROVED
1979	130	325
1980	121	88
1981	98	57
1982	102	57
1983	102	39
1984	116	17
1985	88	19

13-Aug-86

Source: County Planning Department

Issues

The significant reduction in the number of new rural parcels has occurred in the absence of any restrictions imposed by the recent quotas. Another factor, or combination of factors, is causing this reduction. Other factors which may act to reduce the number of rural land divisions are the county's development standards (policies adopted by ordinance), the rural matrix (a point system which applies development policies to rural land divisions as a tool to determine whether or not a particular division should be approved), and the existence of very little land that is suitable for further division under current land use standards (see discussion below under buildout projections).

A related issue is whether the current rates or future projections of rural land divisions are having/could have any adverse effects on resource values. These issues will be explored in the Environmental Impact Report currently under preparation as part of this study.

In view of the fact that it has not been necessary to utilize the rural land division quotas to date because other factors are limiting rural subdivisions, it may be possible to dispense with the quotas altogether. On the other hand, they currently do not require any staff resources, and they could provide some important protection in the future if conditions were to change.

E. POPULATION TRENDS

Population Data

FIGURE 16 provides a table of the historic population estimates for the unincorporated area and the County as a whole for the period of 1960 to 1986.

FIGURE 16
HISTORIC POPULATION GROWTH TRENDS

YEAR	COUNTYWIDE POPULATION	UNINCORPORATED AREA POPULATION	UNINCORPORATED AREA % OF TOTAL COUNTY	UNINCORPORATED ANNUAL GROWTH RATE
1960	84,219	42,309	50.2%	---
1970	123,790	68,294	55.2%	4.9%
1971	127,950	70,830	57.0%	4.9%
1972	135,320	75,430	56.7%	3.5%
1973	142,540	79,940	56.4%	2.9%
1974	148,150	83,430	56.2%	3.0%
1975	153,640	87,500	56.4%	3.1%
1976	159,800	90,600	56.9%	7.3%
1977	165,300	93,200	56.4%	2.9%
1978	170,800	96,000	56.2%	3.0%
1979	175,548	98,982	56.4%	3.1%
1980	186,800	106,200	56.9%	7.3%
1981	191,435	108,990	56.9%	2.6%
1982	196,065	112,533	57.4%	3.3%
1983	199,268	114,701	57.6%	1.9%
1984	203,633	117,884	57.9%	2.8%
1985	209,398	121,314	57.9%	2.9%
1986	216,972	125,520	57.9%	3.5%

28-Aug-86

Sources: U.S. Census for years 1960 and 1970 (estimated as of 4/1 of the State Department of Finance for other years (estimated as of 1/1 year). Report E-1.

Trends

Like the housing data discussed in Section B, the population growth has slowed significantly in the last six years. FIGURE 17 summarizes the data of FIGURE 16 by decade, and shows the comparative population and average annual growth rates for the unincorporated portion of the County, the whole County and the State. The high growth rates of 4.9% and 4.5% in the unincorporated portions of the County for the decades of the 1960's and 1970's was markedly reduced to 2.8% for the last six years.

A review of FIGURE 17 also indicates that the unincorporated portion of the County has grown faster than either the cities in the County or the State as a whole. This trend has been consistent over the last 25 years and has caused the population in the County to be increasingly located in the unincorporated area. As shown in FIGURE 16, the percent of population in the unincorporated area reached 58.2% in 1986, having slowly grown over the last 16 years and more rapidly in the previous decade.

FIGURE 17

COMPARATIVE POPULATION GROWTH RATES

YEAR	UNINCORPORATED COUNTY		COUNTY WIDE		STATE	
	POPULATION	GROWTH RATE (1)	POPULATION	GROWTH RATE (1)	POPULATION	GROWTH RATE (1)
1960	42,309	4.9%	84,219	3.9%	15,720,860	2.4%
1970	68,440	4.5%	123,790	4.2%	19,957,304	1.7%
1980	106,200	2.8%	186,800	2.5%	23,533,800	2.1%
1986	125,520		216,972		26,637,000	

(1) Compound average annual rate

28-Aug-86

Source: U.S. Census for years 1960 and 1970 (estimates as of 4/1),
State Department of Finance for years 1980 and 1986
(estimates as of 1/1). Report E-1.

A comparison of the population growth rates with the dwelling unit growth discussed in Section B, shows that population is growing at a faster rate than the housing stock. This trend, which has extended at least over the last 25 years, can be explained by changes in the housing vacancy rates and the household size. These parameters are presented in FIGURE 18 and are plotted in FIGURE 19.

The housing vacancy rate has consistently declined over the last 25 years. This decline was greatest during the decades of the 1960's and 1970's, but has continued into the 1980's. This trend represents a conversion of dwelling units from seasonal to full time occupancy, and mirrors the changes which have occurred in the character of the community.

The household size in the County held constant during the 1960-70 decade, declined during the 1970's, and has shown an increase during the 1980's. The State Department of Finance has projected a continuing increase in household size for the period extending past 1990. This trend generally mirrors household size changes state-wide and means that more people live within a given number of housing units. There are numerous reasons for this phenomenon including increased birth rates, lowered death rates, and more sharing of housing and dependents remaining at home longer due to increased housing costs.

Over the last six years, the decline in vacancy rates and the rise in household size have resulted in an average annual population growth of over 1% in addition to the population growth generated by new residential units.

FIGURE 18

VACANCY RATES AND HOUSEHOLD SIZE

COUNTY UNINCORPORATED AREA

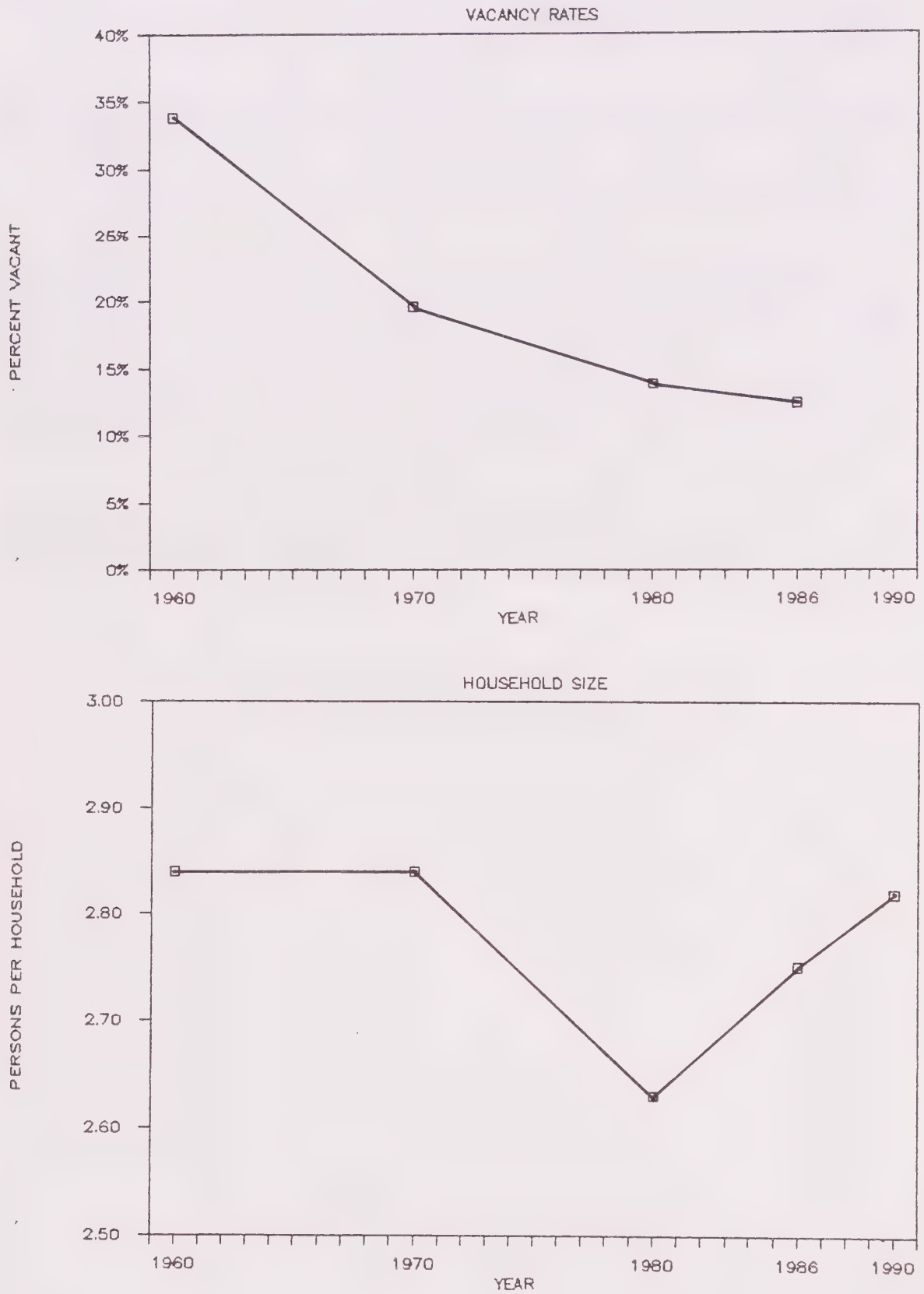
YEAR	VACANCY RATE (1)	HOUSEHOLD SIZE
1960	33.8%	2.84
1970	19.6%	2.84
1980	13.9%	2.63
1986	12.5%	2.75
1990	NA	2.82

(1) Vacancy rate is the percentage of total dwelling units which are not occupied on a year round basis and represents units available for rent or sale or awaiting occupancy; units for migratory, seasonal and occasional occupancy; and other units not available for year round occupancy.

28-AUG-86
Source: U.S. Census for years 1960, 1970, and 1980.
State Department of Finance E-5 Summary for 1986
State Department of Finance projections for 1990

FIGURE 19

VACANCY RATES AND HOUSEHOLD SIZE



If the projected 1990 household size of 2.82 were applied to the existing occupied housing units in the unincorporated area, the population would increase over the current population of 125,520 by 3,137 persons with no increase in dwelling units. In other words, even if no additional building permits were issued, the unincorporated population of the County would increase by an average of 0.62% per year to add 3,137 people by 1990, or the equivalent of approximately 1,113 dwelling units, just due to the change in average household size. This factor, when combined with a decreasing vacancy rate as well as illegal construction, begins to explain how the County's population continues to increase at a rate significantly greater than the development rate of new residential units.

Issues

Measure J policies state that the County shall limit its growth to an amount that represents the County's "fair share" of the State's population growth. A review of FIGURE 17 shows that the County has been growing at a rate greater than the State's, and raises the question of whether the County's growth is consistent with the provisions of Measure J.

In view of the fact that the cities have been growing at a rate different from that of the County, and the balance of population has been gradually shifting more to the County, it is again appropriate to ask if the cities should accept more of the development. Also it is necessary to evaluate whether the County should consider the growth rate of the cities when establishing the yearly growth goals.

The County could exercise control of growth in the unincorporated area to accomplish such secondary policies as maintaining or reducing the relative percentage of population in the unincorporated portion of the County, or to insure that the growth of the County as a whole is a fair share of the State's growth. Since Measure J was adopted by a vote of all of the County's voters, however, the interests of the residents in the cities must be somehow considered when setting the unincorporated area growth rate.

The phenomena of the County's population growth rate exceeding its dwelling unit growth rate should be considered when setting the growth rate for the unincorporated area. This issue could also be raised with respect to the establishment of development fees, since many service demands are based on population rather than housing counts. The fee structure established to finance improvements could reflect population projections rather than simply housing unit growth by taking into account the projected household size and vacancy rates.

F. BUILDOUT PROJECTIONS

Buildout Data

FIGURE 20 provides a table of the existing and potential residential units for the buildout of the current County General Plan. The data is reported by Planning Areas for the urban and rural portions of the County.

FIGURE 20

PROJECTED DWELLING UNITS AT GENERAL PLAN BUILDOUT

		----New Development----				
	1/1/86 Existing Units	From Existing Lots	From New Lots	Total New Units at Buildout	Total Units at Buildout	Percent Built out as of 1/1/86
PLANNING AREAS						
URBAN						
Aptos Hills	505			495	1,000	51%
Aptos	7,940			3,106	11,046	72%
Carbonera	955			1,277	2,232	43%
Live Oak	11,189			4,548	15,737	71%
Pajaro Valley	3,404			1,870	5,274	65%
Soquel	3,399			2,326	5,725	59%
URBAN TOTAL						
	27,392			13,622	41,014	67%
RURAL						
Aptos Hills	1,661	546	136	682	2,343	71%
Bonny Doon	1,008	438	1	439	1,447	70%
Carbonera	2,354	623	193	816	3,170	74%
Eureka Canyon	1,429	701	119	820	2,249	64%
La Selva Beach	1,036	669	0	669	1,705	61%
North Coast	238	275	61	336	574	41%
Pajaro Valley	719	222	0	222	941	76%
San Andreas	1,354	260	17	260	1,614	84%
Skyline	1,055	252	8	801	1,856	57%
San Lorenzo Valley	10,852	1,202	223	1,425	12,277	88%
Salsipuedes	212	732	69	277	489	43%
Summit	1,900	719	152	871	2,771	69%
RURAL TOTAL						
	23,818	6,639	979	7,618	31,436	76%
UNINCORPORATED						
COUNTY TOTAL	51,210			21,240	72,450	71%

19-Aug-86

Source: County Planning Department

FIGURE 21 is a table that indicates the projected number of dwelling units and population for 5 year increments from 1986 to the year 2000, and buildout periods for five different growth rates. The projections assume constant vacancy rate, household size and proportion of non-household population based on the current 1986 levels; changes in these variables will change the relative number of projected dwelling units and population for a given year. The projections are also based on an allocation of 33% and 67% of the growth respectively to the rural and urban areas.

FIGURE 21

PROJECTIONS OF DWELLING UNITS, POPULATION AND BUILDOUT PERIODS

GROWTH GOAL	AREA	PROJECTION DATE								YEARS TO BUILDOUT	BUILDOUT DATE
		-----1986-----		-----1990-----		-----1995-----		-----2000-----			
		DU'S	POP	DU'S	POP	DU'S	POP	DU'S	POP		
0.5%	URBAN TOTAL	27,400	67,100	28,100	68,800	29,000	71,000	29,900	73,200	67	2053
	RURAL TOTAL	23,800	58,400	24,100	59,200	24,600	60,300	25,000	61,400	75	2061
	COUNTY TOTAL	51,200	125,500	52,200	128,000	53,600	131,300	54,900	134,600		
1.0%	URBAN TOTAL	27,400	67,100	28,800	70,500	30,600	75,000	32,500	79,700	34	2020
	RURAL TOTAL	23,800	58,400	24,500	60,100	25,400	62,300	26,400	64,600	37	2023
	COUNTY TOTAL	51,200	125,500	53,300	130,600	56,000	137,300	58,900	144,300		
1.5%	URBAN TOTAL	27,400	67,100	29,500	72,300	32,300	79,200	35,300	86,600	22	2008
	RURAL TOTAL	23,800	58,400	24,900	60,900	26,300	64,300	27,800	68,000	25	2011
	COUNTY TOTAL	51,200	125,500	54,400	133,200	58,600	143,500	63,100	154,600		
2.0%	URBAN TOTAL	27,400	67,100	30,200	74,100	34,100	83,500	38,400	94,000	17	2003
	RURAL TOTAL	23,800	58,400	25,200	61,800	27,100	66,500	29,200	71,600	19	2005
	COUNTY TOTAL	51,200	125,500	55,400	135,900	61,200	150,000	67,600	165,600		
2.5%	URBAN TOTAL	27,400	67,100	31,000	75,900	36,000	98,100	41,600	101,900	14	2000
	RURAL TOTAL	23,800	58,400	25,500	62,700	28,000	68,700	30,800	75,500	15	2001
	COUNTY TOTAL	51,200	125,500	56,500	138,600	64,000	156,800	72,400	177,400		

Note: Projections assume 33/67% rural/urban split of growth; and constant vacancy rate, household size and proportion of non-household population. Estimates are for 1/1 of each year.

28-AUG-86

Source: Santa Cruz County Planning Department

Trends

The projection of the holding capacity of the County General Plan indicates that the unincorporated area is currently developed to 71% of total buildout. A review of the data in FIGURE 20 indicates that the degree of buildout varies between planning areas within a range of 41% to 88%.

With the continued buildout of the General Plan, there will be a slight shift in the proportion of development within the County's Urban Services Line. The urban area currently contains 53.5% of the residential units in the unincorporated area; at buildout it is estimated that this percentage will increase to 56.6%. This proportion can be considered to be generally consistent with the Measure J policy to encourage development to locate in the urban area.

FIGURE 22 provides graphs of the amount and percentage of buildout currently existing in the urban Planning Areas. The urban area as a whole is currently 67% built out, although the individual Planning Areas vary from 43% to 72%. The two urban Planning Areas with the greatest potential for additional growth are Live Oak and Aptos, with an estimated potential for 4,548 and 3,106 new units, respectively; these areas are also the most built out at 71% and 72%, respectively.

FIGURE 23 provides graphs of the amount and percentage of buildout currently existing in the rural planning areas. The rural area as a whole is currently 76% built out, although the individual Planning Areas vary from 41% to 88%. The rural Planning Area with the most potential for further buildout is the San Lorenzo Valley Planning area, with a potential of 1,425 new units; this is also the Planning Area with the greatest existing buildout, at 88%.

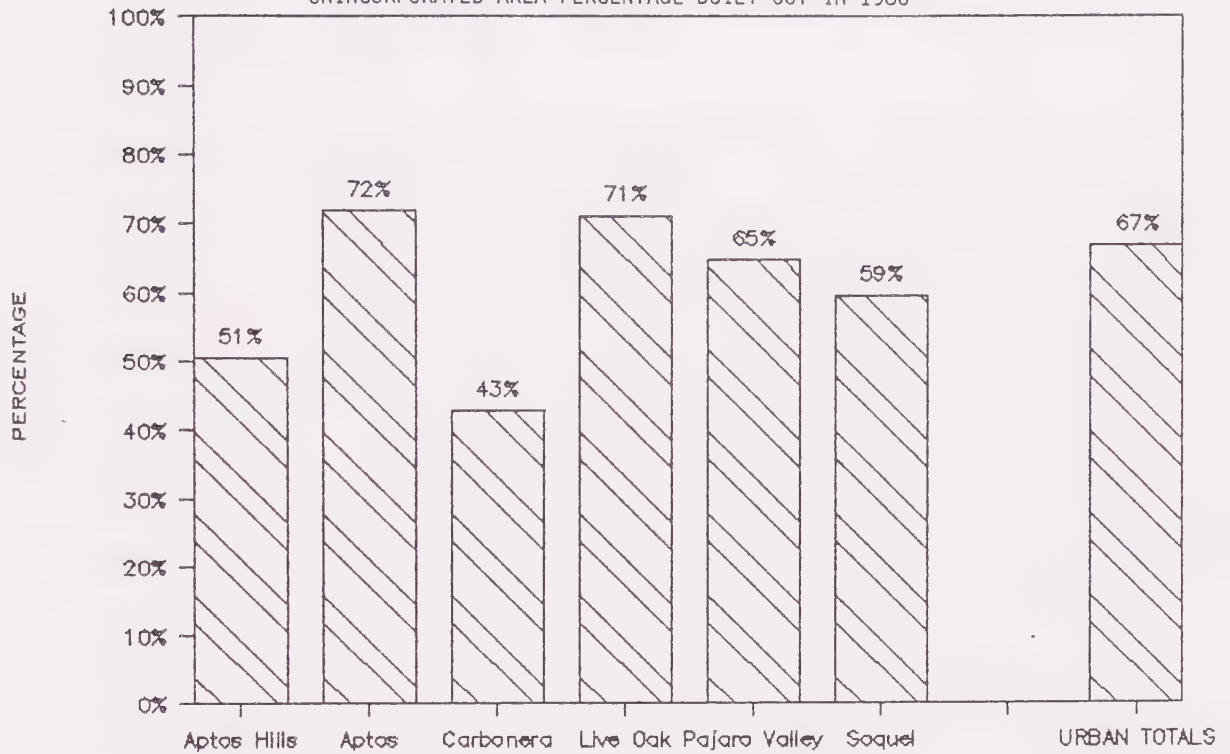
As can be seen from the graphs of FIGURE 23 and the data in FIGURE 20, future growth will occur primarily on existing parcels of record in the rural area. The ratio of development from existing lots compared to new lots is 6.8 to 1. While the individual ratios vary, this overwhelming dependence on existing parcels for new development is uniformly the case in all the rural Planning Areas.

Few if any new parcels are projected in some of the Planning Areas. Bonny Doon is restricted by the aquifer recharge area parcel size requirements; La Selva is restricted by septic tank limitations and the availability of land designated for further development; and the Pajaro Valley and San Andreas areas are limited by the land division policies for the protection of agricultural resource land.

FIGURE 22

URBAN PLANNING AREA BUILDOUT

UNINCORPORATED AREA PERCENTAGE BUILT OUT IN 1986



UNINCORPORATED AREA DWELLING UNITS AT BUILDOUT

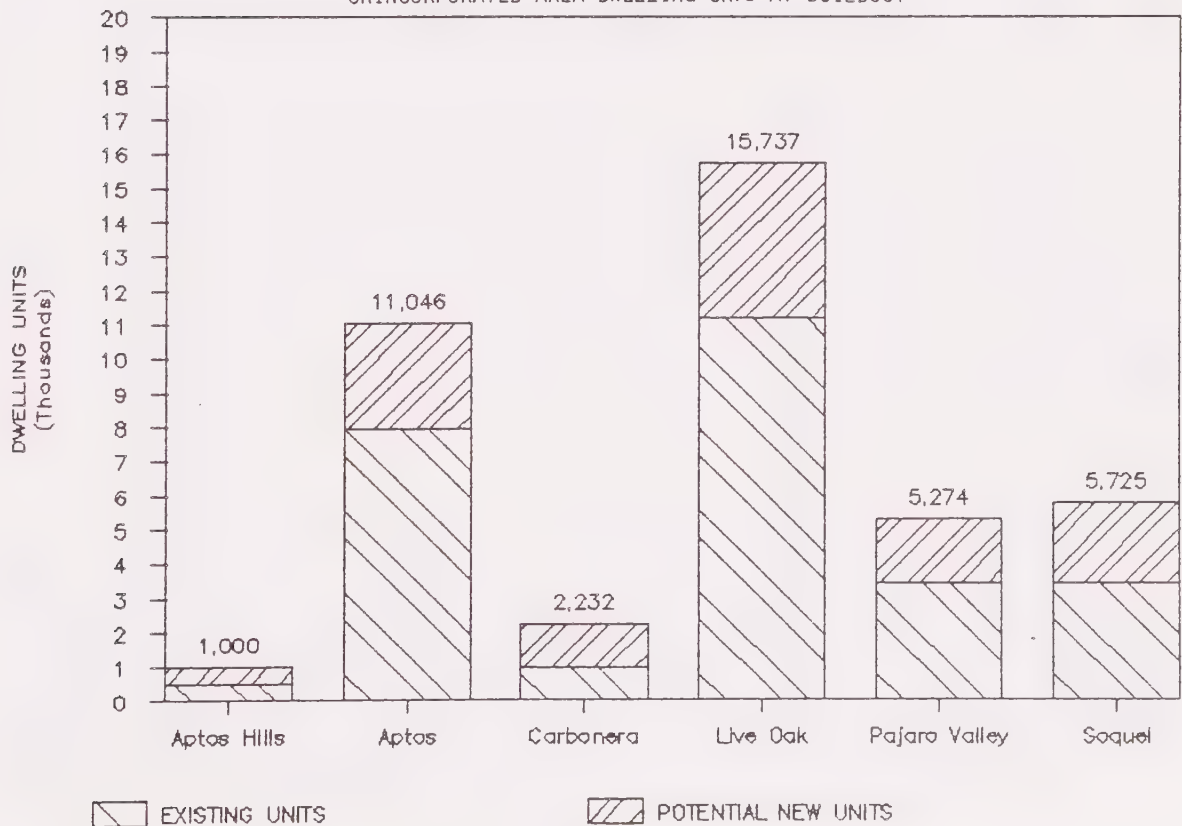
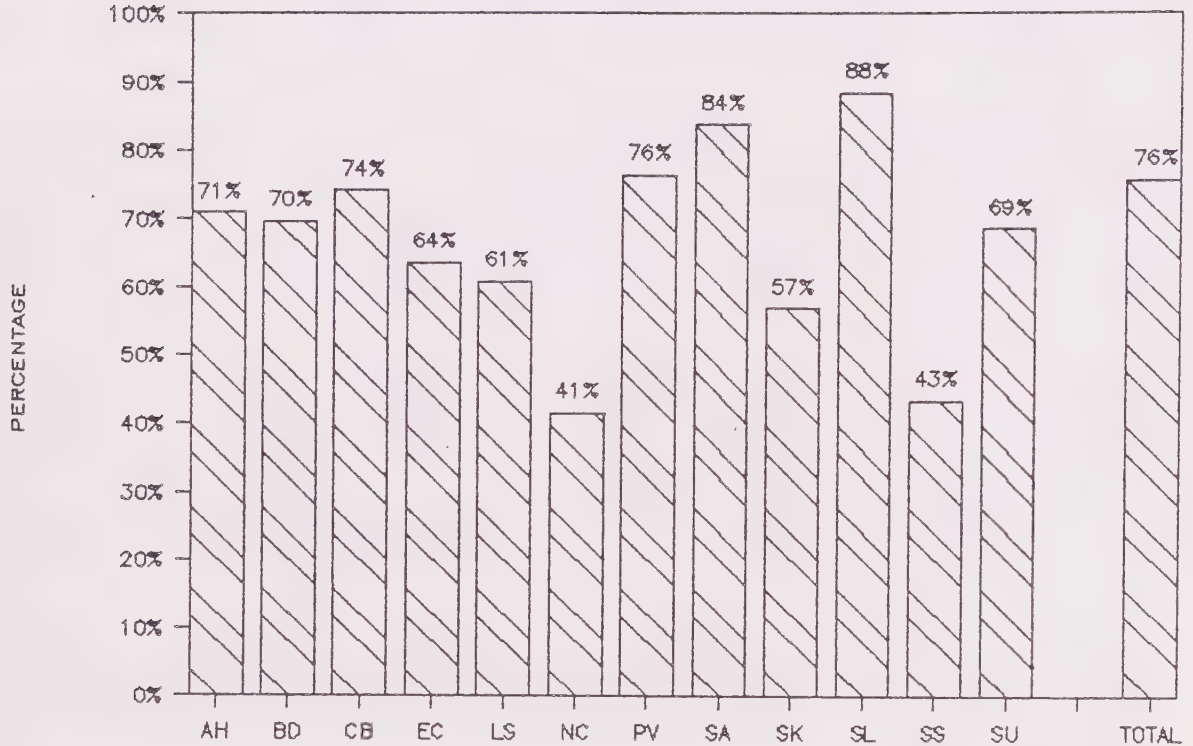


FIGURE 23

RURAL PLANNING AREA BUILDOUT

UNINCORPORATED AREA PERCENTAGE BUILT OUT IN 1986



UNINCORPORATED AREA DWELLING UNITS AT BUILDOUT

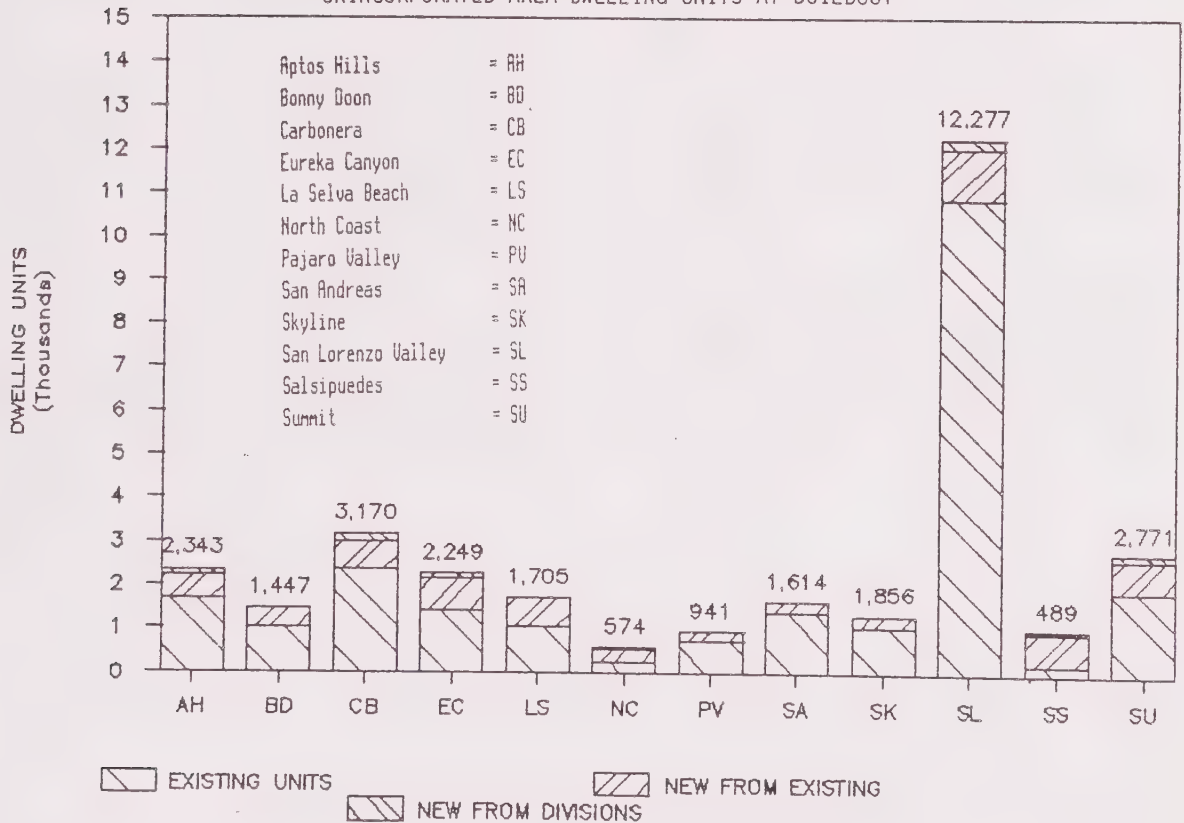


FIGURE 21 also provides a projection of the General Plan buildout dates for various rates of growth between 0.5% and 2.5%. The unincorporated portion of the County is projected to reach buildout in the urban area at 2000 and in the rural area at 2001 if growth occurs at the highest rate of 2.5%. These dates extend to the years 2053 and 2061 respectively at the lowest growth rate of 0.5%.

Even at the highest growth rate of 2.5%, the urban area has 14 years of continuing development before reaching buildout. This is consistent with the County's General Plan and Urban Service Line ordinance which calls for maintaining a development reserve of 10 years within the Urban Services Line. This buildout period will be extended by the slow down in development which is expected as buildout is approached, and by any lower growth rate that may be adopted.

Issues

With the County facing an increase in development of over 40% in the unincorporated area, it is necessary to examine whether the development controls currently in place are adequate to mitigate the potential impacts of further development. In the urban areas, where development is projected to increase by 32%, the potential impacts are expected to primarily affect public services. Present regulations require minimum levels of service for new development and levy improvements and/or fees to provide additional services. The present deficit of services, however, imposes burdens on the existing residents and prevents some new development; also it is not clear whether the present development fees and requirements are adequate to provide the desired level of services for new and existing development. It may be necessary to consider new strategies for reviewing new urban development to account for the inadequate level of services and facilities.

In the rural areas, where development is projected to grow by 49%, the impacts of new development are expected to primarily affect resources, although some service impacts must also be considered. With the small amount of growth expected from the formation of new rural parcels and the high level of environmental control exercised by the present regulations on land divisions, it would appear that future regulatory effort, if necessary, should focus on development of existing parcels of record. The controls over rural growth which is expected on existing parcels of record is not as stringent as for the creation of new parcels and should be examined to determine if they are adequate to mitigate the potential impacts of this portion of new development.

Depending on the rate of growth the County experiences in the near future, the County could begin to experience the effects of approaching the buildout of its vacant land. As the community matures and approaches buildout, changes can be expected in the developmental, environmental, social and demographic character of the community. Land and housing prices can be expected to rise, development will slow down, the provision of affordable housing may become more difficult, the present vacant open space in the urban area will decrease, the revenue generation from new development will be reduced, etc. These factors should all be taken into account in future policy decisions.

As buildout is approached, the main issue will be to consider whether there is a need or desire to extend the buildout date or expand the buildout capacity. This could defer the effects of buildout or allow development to be shifted away from some portion of the urban area while urban services are improved. Extending buildout could be accomplished in a variety of ways: reduction of the growth rate, designation of higher densities in selected areas, expansion of the Urban Services Line, etc. The impacts of any of these measures, however, need to be considered: increased urban densities will impact services and change the low density residential character of affected neighborhoods; extension of the Urban Services Line will irreversibly change present suburban, rural and/or agricultural areas affected; etc. And, in any case the condition of reaching buildout will need to be faced at some point in time because of the limited amount of land suitable for development in the county.

APPENDIX: DATA COLLECTION METHODOLOGY

BUILDING PERMIT COUNTS

The historic building permit data was developed by conducting actual counts of building permits authorized each year by the Building Inspection Section of the County Planning Department. Detailed records of building permit issued back to January 1976 were reviewed and tabulated the number of units authorized to be built by Assessors Parcel Number. The data was then processed by computer to assign and tabulate permits by Planning Area, Traffic Zone, and whether they were located inside or outside of the Urban Services Line.

The data summaries do not separately report rural building permits in the small rural portions of the Live Oak, Soquel and Aptos planning areas because of the difficulty in splitting traffic zone data. Not counted in the tabulations were permits issued for units being replaced after storm or fire damage. Also, no factor for permits issued for dwelling units which were not built has been deducted; however, it is estimated that under 3% of the permits issued each year are not constructed.

AFFORDABLE HOUSING UNITS

The 10 year history of affordable housing production in the unincorporated portion of the County was assembled through a review of building permit records and development permit files. The data has been collected by year and planning area, and represents units actually constructed.

NEW RURAL PARCELS

The rural land division data was obtained through a review of the records of the County Zoning Administrator, the Planning Commission, and the Board of Supervisors. The first six years of data come from an earlier report which was updated to provide data through 1985. This data represents the number of new parcels authorized by these bodies and not necessarily the number of new parcels actually recorded each year. The data covers the entire rural area outside the Urban Services Line and provides totals by year and by Planning Area.

POPULATION AND HOUSING ESTIMATES

The population and housing estimates are taken from the reports of the federal census and the State Department of Finance. The census figures are actual counts of population and housing, and represent the totals as of April 1 of the year reported. The Department of Finance figures are estimates derived from a model based on a variety of measurements and represent population and housing totals as of January 1 of the year reported. The data series are not directly comparable due to the difference in the reporting date.

The State Department of Finance has the responsibility for providing a series of technical population reports for use by local jurisdictions and state agencies on an annual basis. The Department of Finance estimation process is based on the population and housing unit counts prepared each decade by the federal Bureau of Census. Each year Department of Finance updates these estimates for the various counties and cities based on a fairly complex methodology. Housing units are estimated by adding new construction minus demolitions to the census benchmark of housing units. Occupied housing units are estimated by adding the change in residential electric customers to the benchmark data. These housing figures are then compared to derive a vacancy rate. Population estimates are prepared by estimating household size based on a number of variables and adding in group quarter populations. The population estimates are then compared to estimates derived from a number of variables including income tax returns, driver license files, school enrollment, births, auto registrations, and voter registrations.

BUILDOUT PROJECTIONS

Projection of the ultimate buildout capacity of the General Plan have been prepared based on the holding capacity data originally prepared for the North County Water Master Plan and the extension of that methodology to the south county area in order to provide a County-wide data base. These original projections were based on the records of the County Assessor's Office updated through December 1983, and were developed on a Traffic Zone basis to allow aggregation by various areas to be studied. There are 222 Traffic Zones in the unincorporated area of the County.

In order to provide a current estimate of existing residential units, the 1983 data was updated by adding the number of units issued building permits during 1984 and 1985. This data was then further adjusted to match the housing estimates of the State Department of Finance which are based on the 1980 census and County building permit data.

The estimate of potential new units which could be developed under the existing General Plan is based on the land reported to be vacant in 1983 by the Assessor. Unit counts were derived by assuming an average density for each parcel based on the General Plan. Also the General Plan density restrictions based on natural resource and development constraints policies as well as parcel size limitations for septic tanks were applied. These estimates were then updated to represent current potential by subtracting the building permits issued in 1984 and 1985.

The Traffic Zone data was then summarized by Planning Area and urban and rural areas. Three Planning Areas, Aptos Hills, Carbonera and Pajaro Valley, are split between urban and rural areas because they have a substantial number of units in both. Three other Planning Areas, Aptos, Live Oak and Soquel, are all included in the urban area because the amount of rural development is very small and the Urban Services Line splits the Traffic Zones making separate estimates very difficult.

To estimate the number of years remaining to buildout, five different growth rates were examined: 0.5%, 1.0%, 1.5%, 2.0%, 2.5%. This range provides a comparison of the effects of faster and slower growth rates

within the general limits of the Measure J growth rate policy. Different growth rates were then assigned to the urban and rural areas based on a 67% and 33% division of growth respectively, pursuant to the Measure J policy to direct growth into the urban areas. Changes to this proportional assignment of growth would change the relative buildout times for the urban and rural.

A review of past growth indicates that growth in the individual Planning Areas is generally proportional to the amount of potential development remaining, which will lead to the different Planning Areas all reaching build out at about the same time. Buildout times were therefore determined by applying the respective growth rates to the total urban and total rural areas to produce a buildout time for each area.

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